



Report to the Auburn City Council

Action Item

Agenda Item No. **14**

City Manager's Approval

To: Mayor and City Council Members
From: Robert Richardson, City Manager
Prepared by: Amy M. Lind, Deputy/Assistant City Clerk
Date: May 14, 2012
Subject: Intention to Levy Annual Assessment Fee for Business Improvement Districts

The Issue

Shall the City Council:

1. Appoint the City Manager as the advisory board for both the Old Town and Downtown Business Improvement Districts.
2. Approve the Annual BID Reports submitted by the Old Town and Downtown Business Associations.
3. Adopt a Resolution of Intention to levy an Annual Assessment fee for both the Old Town and Downtown Business Improvement Districts, for fiscal year 2012-13, setting a Public Hearing date for June 11, 2012, to review the proposed fees for Old Town and Downtown Business Improvement Districts.

Conclusion and Recommendation

Staff Recommends that the City Council by **RESOLUTION**:

1. Appoint the City Manager as the advisory board for the Old Town Business Improvement District and for the Downtown Business Improvement District and direct him to produce the report required pursuant to Section 36533 of the 1989 Law for Fiscal Year 2012-13.
2. Approve the Annual Reports as filed by the advisory board for both the Old Town Business Improvement District and for the Downtown Business Improvement District.
3. Set a Public Hearing for June 11, 2012 to levy annual assessment fees for fiscal year 2012-13 within the Old Town Business Improvement District and the Downtown Business Improvement District.

Background

State Law enables the establishment of Parking and Business Improvement Areas. Business owners within the proposed improvement areas, as indicated on the report maps, have initiated the process. The proposed assessments are for the sole benefit of the businesses within the areas. The assessment funds will be spent on items contained in the budgets submitted by the Downtown and Old Town Business Associations and approved annually by the Council.

The Old Town Business Association (OTBA) is proposing a decrease to their assessment rates. The BID as approved for fiscal year 2011-12 was:

Personal Services	\$125 per year
Professional Services (1 owner/principal)	\$300.00
Professional Services (other)	\$600
Retail annual sales under \$100,000	\$300.00
Retail annual sales \$100,000 to \$200,000	\$3 per \$1,000 in sales
Retail annual sales \$201,000 to \$999,999	\$600.00
Retail annual sales greater then \$1,000,000.00	\$800.00

The revised assessment rate schedule from OTBA for fiscal year 2012-13 is proposed to be:

Personal Services	\$ 25.00
Professional Services	\$250.00
Retail Assessment is \$2.00 per \$1000.00 of sales with no minimum of sales under \$100,000.00	
Retail annual sales \$100,000.00 to \$200,000.00	\$300.00
Retail annual sales \$200,000.00 to \$500,000.00	\$400.00
Retail annual sales \$500,000.00 to \$1,000,000.00	\$500.00
Retail annual sales \$1,000,000.00 to \$1,500,000.00	\$600.00
Retail annual sales over \$1,500,000	\$700.00

The Downtown Business Association fee schedule is to remain the same at:

100% of the annual City of Auburn Business License Fee with a minimum of \$50 and a cap of \$500.

For proposals from the Old Town BID and The Downtown BID, see attached reports.

The City Council may approve the reports as filed, or the Council may modify any item contained in the reports. A public hearing is planned for June 11, 2012 to hear all interested persons for or against the Business Improvement Areas and their levied assessment fees. Notice of a public hearing shall be given at least ten days before the public hearing. Notice of the hearing shall be given by publishing the resolution of intention in a newspaper for general circulation within seven days of the City Council's adoption of the resolution of intention.

Alternatives Available to Council

1. Do not approve the appointment of the City Manager as the advisory board for the Old Town BID and Downtown BID.
2. Modify the Annual reports and adopt a resolution of intention to levy and annual assessment for fiscal year 2012-13
3. Do not authorize the City Manager to set a Public Hearing for June 11, 2012 to levy annual assessment fees for fiscal year 2012-13 for Old Town and Downtown BIDs.

Fiscal Impact

There is no fiscal impact on the City other then the cost of public notices and of processing the collection of assessment which is billed with the business license tax at the end of June.

Annual Report
Old Town Auburn Business Improvement District
Fiscal Year 2012-13

This document, along with the memorandum from the Old Town Business Association dated May 8, 2012, which is attached hereto and incorporated herein by reference (the "OTBA Memorandum"), shall serve as the annual report for the Old Town Auburn Business Improvement District (the "BID") for Fiscal Year 2012-13.

1. No changes in the boundaries of the BID are proposed for Fiscal Year 2012-13.
2. The improvements and activities to be provided by the BID are as set forth in the OTBA Memorandum.
3. An estimate of the cost of providing those improvements and activities is set forth in the OTBA Memorandum.
4. The method and basis of levying the assessment is proposed to change for Fiscal Year 2012-13. The rate schedule for the assessment is as follows:

Three categories of assessments

1. RETAIL
2. PERSONAL SERVICE – Includes, but not limited to, all licensed hair stylists, cosmetologists, massage therapists and manicurists who operate as independent contractors within a salon.
3. PROFESSIONAL SERVICE – with one or more owners or principles of a company.

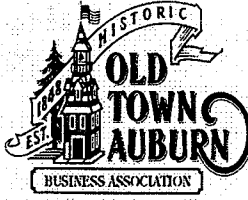
Retail Assessment is \$2.00 per \$1000.00 of sales with no minimum of sales under \$100,000.00

Personal Services	\$ 25.00
Professional Services	\$250.00
Retail annual sales \$100,000.00 to \$200,000.00	\$300.00
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Retail annual sales \$1,000,000.00 to \$1,500,000.00	\$600.00
Retail annual sales over \$1,500,000	\$700.00

5. The surplus from past years and the amount of non-assessment revenue contributions are as shown in the OTBA Memorandum.

Submitted pursuant to Streets & Highways Code Section 36533 by:

City Manager of the City of Auburn
As Advisory Board to the Old Town Auburn Business Improvement District



May 8, 2012

Robert Richardson
Auburn City Manager
1225 Lincoln Way
Auburn, CA 95603

RE: Old Town Business Association BID

As mandated by the City Council March 12, 2012 and by motion set forth by Auburn Mayor Keith Nesbitt and approved by Council members 5-0, that the Old Town Business Association Board of Directors present a re-evaluation of their budget and begin the process of restructuring its BID, we submit these documents.

During the presentation of the OTBA BID to Council on April 23rd, Old Town Business Association Treasurer, Don Baker presented a revised budget along with three categories of assessments: Retail, Personal Service and Professional Service all of which have been fee reduced and based on gross revenue to which our proposed new fee structure is based.

The Old Town Business Association representatives have been invited back to Council on May 14th to present support documents and are included herewith as attachments for your perusal:

2011-2012 Expenditures grouped into general categories

2012-2013 Proposed budget submitted to Council April 23rd

2012 Actual working budget with ongoing and "fixed" projects which include but not limited to, capital improvements, "banner" program, additional street scape, reprints of our Walking Tour Guide, Placer County Visitors Guide, a proposed fine art event and ongoing deferred maintenance, to name a few.

With all due respect to Council, the Old Town Business Association Board of Directors feel that the changes made presently will benefit our district in a positive way and will allow us to continue maintaining the historic value that we offer not only to our merchants, but as we present our district to visitors as well, while also maintaining a fair and equitable solution to our fee structure.

Regards,

Linda Robinson
OTBA President 2011-2012

OTBA BUDGET 2011/2012

INCOME

STREET FAIR SPRING	\$	6,835.00	
STREET FAIR FALL	\$	6,815.00	
COUNTRY CHRISTMAS	\$	6,446.90	
TASTE OF CHOCOLATE	\$	2,082.70	
WINE TASTING	\$	5,726.00	\$ 25,822.90 STREET FAIR!
FRIDAY NITE LIVE	\$	76.00	
CAR SHOW	\$	358.00	
CHAMBER OF COMMERCE	\$	-	
POST OFFICE LOAN	\$	-	
INSURANCE REFUND	\$	-	
CITY OF AUBURN	\$	-	
DONATION	\$	435.00	
BID	\$	32,157.21	BID
MISC.	\$	-	
TOTAL INCOME	\$	60,931.81	

EXPENSE

ADVERTISING	\$	6,968.73	
MARKETING	\$	3,973.00	\$ 11,741.29 ADVERTISING
STREET FAIR SPRING EXPENSE	\$	2,833.34	
STREET FAIR FALL EXPENSE	\$	2,933.19	
COUNTRY CHRISTMAS EXPENSE	\$	3,979.88	
TASTE OF CHOCOLATE	\$	10.38	
AMGEN	\$	3,238.75	
PUMPKIN DROP	\$	78.00	\$ 13,073.54 STREET FAIR!
WINE FESTIVAL	\$	-	
ART WALK	\$	100.00	
FAMILY MOVIE NIGHT	\$	763.00	
4TH OF JULY	\$	200.00	\$ 1,563.00 OTHER EVEN
STREET PARTY/FIREHOUSE	\$	300.00	
PARTY IN THE PARK	\$	200.00	
WALKING MAP	\$	799.56	
INSURANCE	\$	1,719.00	
OFFICE SUPPLIES	\$	1,099.57	
POST OFFICE RENT/BOX	\$	3,797.92	\$ 3,797.92 POST OFFICE
CITY OF AUBURN	\$	300.00	
OUTSIDE SERVICES	\$	8,700.00	\$ 12,556.68 STREET SCAP
EISLEY NURSERY	\$	355.14	
WISHING WELLS	\$	400.00	
POST OFFICE REPAIRS	\$	1,374.37	\$ 4,061.05 BUILDING RE
BUILDING LIGHT REPAIR	\$	2,686.68	
FALL DECORATIONS	\$	1,332.44	
CITY BANNERS	\$	1,769.10	
CHAMBER DUES	\$	155.00	
UTILITIES	\$	663.45	
WEB PAGE	\$	3,600.00	\$ 3,600.00 WEB PAGE
DONATION	\$	785.00	

OTBA ELECTIONS	\$	125.89	\$ 3,627.74 OVERHEAD/O
MISC. EXPENSE	\$	498.83	
TOTAL EXPENSE	\$	55,740.22	

2012 ACTUALS

INCOME/EXPENSE BY CATEGORY[illegible][illegible]

4/19/2012

EXHIBIT A

OLD TOWN BUSINESS IMPROVEMENT DISTRICT

BASIS OF ASSESSMENT

Old Town BID:

Three categories of assessments

1. RETAIL
2. PERSONAL SERVICE – Includes, but not limited to, all licensed hair stylists, cosmetologists, massage therapists and manicurists who operate as independent contractors within a salon.
3. PROFESSIONAL SERVICE – with one or more owners or principles of a company.

Retail Assessment is \$2.00 per \$1000.00 of sales with no minimum of sales under \$100,000.00

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Retail annual sales over \$1,500,000	\$700.00

Annual Report
Downtown Business Improvement District
Fiscal Year 2012-13

This document, along with the memorandum from the Auburn Downtown Business Association dated May 6, 2012, which is attached hereto and incorporated herein by reference (the "Memorandum"), shall serve as the annual report for the Downtown Business Improvement District (the "BID") for Fiscal Year 2012-13.

1. No changes in the boundaries of the BID are proposed for Fiscal Year 2012-13.
2. The improvements and activities to be provided by the BID are as set forth in the Memorandum.
3. An estimate of the cost of providing those improvements and activities is set forth in the Memorandum.
4. The method and basis of levying the assessment is not proposed to change from Fiscal Year 2011-12. The rate schedule for the assessment is as follows:

The Downtown Business Improvement District (BID) assessment is based on 100% of the annual City of Auburn Business License Fee with a minimum of \$50 and a \$500 cap.

5. The surplus from past years and the amount of non-assessment revenue contributions are as shown in the Memorandum.

Submitted pursuant to Streets & Highways Code Section 36533 by:

City Manager of the City of Auburn
As Advisory Board to the Downtown Business Improvement District



Downtown Auburn
The Heart of Auburn

**AUBURN
DOWNTOWN BUSINESS
ASSOCIATION**
www.downtownauburnca.com

PO BOX 244
AUBURN, CA 95604

PRESIDENT
JIM BRILL

VICE PRESIDENT
CARI THACHUK

PAST PRESIDENT
HARVEY ROPER

SECRETARY
MARGARETA ASGHARZEDH

TREASURER
RUTH LITTAU

DIRECTORS
GARY CAPPS
LISA SWISLEY
CORRINE LEE
MICHELLE SMITH
KEITH HENTSCHEL

**SUPPORTING OUR
DOWNTOWN TOGETHER**

Auburn Downtown Business Association Annual Report to City Council

May 6, 2012

To Mayor Nesbitt and City Council,

Enclosed is a summary of the activities of the Downtown Business Association for 2011-2012

We are enjoying the completion of Streetscape Phase Two. It has created a visually pleasing corridor to Central Square. We appreciate your investment into Downtown.

The following pages list our accomplishments of 2011/12 and our goals for next year. They are arranged in a simple bullet point format for your review.

Also enclosed is the proposed budget for our next fiscal year. The proposed budget is still in development, if all projects are completed as proposed, we could dip into our carry over funds from previous years about \$2,500. Our budget will be completed and approved in July.

We thank the City Council for your assistance to the relocation of the California Welcome Center to Downtown. This coupled with the Central Square Plaza has created a wonderful social dynamic which has already stimulated new investment in local business and should increase visitor traffic to Downtown for years to come.

We look forward to the continued close coordination of our efforts with the City through the next year.

Thank You,

DBA President, Jim Brill

Review of the DBA activities for the year of 2011-2012

- * Very successful Joint wine tasting event with Old Town almost reached 800 attendees. Wineries from outside our area are now wanting to participate and are on a waiting list. A Wonderful opportunity for the attendees to see and taste what Auburn has to offer.*
- * Communication to the membership through "Constant Contact" emails, and made it sustainable with advertising*
- * Successful Safe & Happy Halloween
750 kids participating, Lots of fun*
- *Purchased American Flags for Veterans Day, plus the 23 large flags which were installed with the assistance of Public Works, we passed out 3,000 mini flags*
- * Continuation of Flower pot maintenance program
Our largest expense, almost 90 pots currently included in the program*
- * Continuation of successful five Cruise Night Events*
- * Contracted with Teri Gibson as our Event coordinator for the Annual Wine And Food Festival*
- *Contributed \$5,958.27 to the Streetscape (Phase Two) for matching large flower pots to those in Central Square*
- * Contributed to the Auburn Phone App.*
- *Sponsored the Revitalized Funk Soap Box Derby*
- *Assisted the Chamber of Commerce and coordinated the Vendors and assisted with Volunteers for the Festival of Lights parade*
- *Contributed Financially to The Art Walk.*
- *Contributed to Placer county Visitors Guide add PCVB \$5000.*

Our Plans for 2012-2013

1) To strengthen our Wine and Food Festival we have partnered with the Placer County Vintners Association and will be growing the event from 25 to 30 venues. The event will again give participants the opportunity to enjoy Downtown and Old Town Auburn at it's best.

2)Economic

a) Coordinate and financially participate for the promotion of Auburn with the City, OTBA, Placer County Welcome Center, and the Auburn Wine Trail to focus on bringing people from Outside the Auburn Area.

b)Continue support for Think Auburn First

3) Continue support of Veterans day parade and purchase flags for distribution

4) Improve Christmas/Holiday decorations including new lights and garlands and restoring existing decorations.

5) Increase membership at meetings

6) Mini Flags to hand out for 4th of July and placement large flags on upper Lincoln Way

7) Sponsor the Funk Box Derby

8) Continued Support of Outdoor Movie Nights

**Downtown Auburn Business Association
2012-13 Budget**

Ordinary Income/Expense		DRAFT BUDGET	
Income			
Member Income			
	Bid Member Assesment	36,000.00	
	Associate Members	500.00	
	Total Member Income		36,500.00
Promotion			
	Wine Festival	5,000.00	
	Cruise Nite	4,000.00	
	Web Site Advertising	400.00	
	Total Promotion		9,400.00
	Design	0.00	
	Economic Structure	0.00	
	Total Design/Structure		0.00
Total Income			45,900.00
Expense			
Meetings			
	Refreshments	300.00	
	Rental	500.00	
	Total Meetings		800.00
	Accounting		1,800.00
	Insurance/Liability		3,500.00
Organization			
	Misc Office Expense	500.00	
	Postage	250.00	
	Mailers		
	Printing		
	Sunshine	600.00	
	Web Site	1,000.00	
	Total Organization		2,350.00
Promotion			
	American Flag Purchase	800.00	
	Art Walk	500.00	
	Festival of Lights Parade	500.00	
	Sidewalk Sales	300.00	
	Christmas Décor	2,000.00	

Downtown Auburn Business Association
2012-13 Budget

		Christmas Holiday Promo	3,000.00	
		Auburn Family Night Out	200.00	
		Trick or Treat	100.00	
		New Event (Wine /Art)	2,500.00	
		Advertising	1,000.00	
		Total Promotion		10,900.00
		Economic Restructure		
		E-mail Survey	180.00	
		Commercial Economic Support	2,800.00	
		Improvement Project	5,000.00	
		Joint Marketing Project	5,000.00	
		Information Packet	0.00	
		Total Economic Restructure		12,980.00
		Planters Maintenance		16,000.00
		Total Expende		48,330.00
		Net Income		(2,430.00)

Downtown Business Improvement District

Basis of Assessment

The Downtown Business Improvement District (BID) assessment is based on 100% of the annual City of Auburn Business License Fee with a \$50 minimum and a \$500 cap.

EXAMPLES: For a Downtown Business currently paying \$50.00 for an Auburn business license, the BID assessment would additionally be \$50.00 per year. The combined total being \$100.00.

For a Downtown Business currently paying \$27.50 for an Auburn business license, the BID assessment minimum would additionally be \$50.00 for a combined total of \$77.50.

For a Downtown Business currently paying \$800.00 for an Auburn business license, the BID assessment cap would additionally be \$500.00 for a combined total of \$1,300.00.

Activities and Improvements

These assessed funds will be used to promote and enhance the Business Improvement District of Downtown Auburn. The budget includes the flower pot landscape maintenance and its enhancement and replacement, billboard and general advertising to residents and tourists, holiday decoration, signage, music and special projects approved by the Downtown Business Association.

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RESOLUTION NO. 12-

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF AUBURN, CALIFORNIA,
DECLARING ITS INTENTION TO LEVY AND COLLECT ASSESSMENTS FOR
FISCAL YEAR 2012-13 IN CONNECTION WITH THE OLD TOWN AUBURN
BUSINESS IMPROVEMENT DISTRICT AND THE DOWNTOWN BUSINESS
IMPROVEMENT DISTRICT AND FIXING A TIME AND PLACE FOR A HEARING ON
SUCH LEVIES.

WHEREAS, in 2002 this City Council established the Old Town Auburn
Business Improvement District (the "Old Town BID") and the Downtown
Business Improvement District (the "Downtown BID") as parking and business
improvement areas pursuant to the Parking & Business Improvement Area
Law of 1989 (Streets & Highways Code Sec. 36500 et. Seq.) (the "1989 Law")
Collectively, the Old Town BID and the Downtown BID are referred to as the
"BID's" in this Resolution, and each is referred to as a "BID"; and

WHEREAS, the City Manager, serving as the Advisory Board for each BID, has
filed with the City Clerk a report for each BID as required by Section 36533(b)
of the 1989 Law (the "Reports"); and

WHEREAS, the City Council desires to levy and collect assessments in
connection with the BID's for Fiscal Year 2012-13

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY
OF AUBURN, CALIFORNIA DOES RESOLVE AS FOLLOWS:

Section 1. The City Council affirms its ongoing appointment of the City
Manager to serve as the advisory board for each BID.

1 Section 2. The City Council approves the Reports as filed with the City Clerk.

2
3 Section 3. The City Council intends to levy and collect assessments within
4 BID's for Fiscal Year 2012-13.

5
6 Section 4. A general description of the proposed improvements and activities
7 to be funded with assessment proceeds from business in the Downtown BID
8 are those activities and improvements that benefit business in the Downtown
9 BID. A general description of the proposed improvements and activities to be
10 funded with assessment proceeds from business in the Old Town BID are
11 those activities and improvements that benefit business in the Old Town BID.
12 Substantial changes are not proposed for the improvements and activities of
13 either BID.

14
15 Section 5. The full name of the Old Town BID is the "Old Town Auburn
16 Business Improvement District", and the Old Town BID is generally located in
17 Old Town Auburn. The full name of the Downtown BID is the "Downtown
18 Business Improvement District" and the Downtown BID is generally located in
19 Downtown Auburn.

20
21 Section 6. Reference is made to the Reports for a full and detailed description
22 of the improvements and activities to be provided for Fiscal Year 2012-13, the
23 boundaries each BID, and the proposed assessments to be levied upon the
24 businesses within each BID for Fiscal Year 2012-13.

25
26 Section 7. On June 11, 2012 at 6:00 p.m. in the City Council Chambers
27 located at 1225 Lincoln Way, Auburn CA 95603, the City Council will hold
28 public hearings on the proposed assessments for Fiscal Year 2012-13 for the
Old Town BID and for the Downtown BID. At the public hearing written and

1 oral protests may be made. The form and manner of protests must comply
2 with Sections 36524 and 36525 of the 1989 Law.

3
4 Section 8. No changes to the boundaries of the Old Town BID or the
5 Downtown BID are proposed. No increase in assessment rate or change is
6 assessment methodology is proposed for the Downtown BID. As described in
7 more detail in the report, the assessment rate for the Old Town BID is
8 proposed to decrease to the following:

9 Personal Services	\$ 25.00
10 Professional Services	\$250.00
11 Retail Assessment is \$2.00 per \$1000.00 of sales with no minimum of sales under \$100,000.00	
12 Retail annual sales \$100,000.00 to \$200,000.00	\$300.00
13 Retail annual sales \$200,000.00 to \$500,000.00	\$400.00
14 Retail annual sales \$500,000.00 to \$1,000,000.00	\$500.00
15 Retail annual sales \$1,000,000.00 to \$1,500,000.00	\$600.00
16 Retail annual sales over \$1,500,000	\$700.00

17
18 Section 9. All assessments levied in connection with the BID's are assessed at
19 a rate no higher than the rate levied prior to November 2, 2010,
20 consequently, they are not subject to the provisions of Proposition 26, which
21 was adopted by the voters on that date. Furthermore, even if Proposition 26
22 is applicable to the assessments, the City Council finds that the assessments
23 are charges imposed for a specific benefit conferred directly to the payor that
24 is not provided to those not charged, and which does not exceed the
25 reasonable costs to the local government of conferring the benefit.

26
27 Section 10. The City Clerk shall give notice of the June 11, 2012 public
28 hearing as required by law.

1
2 PASSED, APPROVED AND ADOPTED, this May 14, 2012.
3
4

5 Keith Nesbitt, Mayor

6 ATTEST:

7 Joseph G. R. Labrie, City Clerk
8

9 I, Joseph Labrie, City Clerk of the City of Auburn, hereby certify that the
10 foregoing resolution was duly passed at a regular meeting of the City Council
11 of the City of Auburn held on the 14th day of May 2012 by the following vote
12 on roll call:
13

14 Ayes:

15 Noes:

16 Absent:
17

18 Joseph G. R. Labrie, City Clerk
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